



DEPARTMENT OF CORPORATION
STATE OF CALIFORNIA

RONALD REAGAN, Governor

BRIAN R. VAN CAMP
Commissioner of Corporations

DATE March 28, 1973

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(Revised)

OPEN-END INVESTMENT COMPANIES - PROCEDURE FOR COMPLIANCE
WITH CALIFORNIA CORPORATE SECURITIES LAW OF 1968

Open-end investment companies should file applications for qualification by coordination under the Corporate Securities Law of 1968 at the same time as they annually two months prior to the end of their fiscal year file with the Securities and Exchange Commission the narrative portion of the posteffective amendments to their registration statements. The application should include as an exhibit a copy of that narrative statement and should be accompanied by the appropriate filing fee. As soon as the company's financial statement is available, an application for an amendment to the qualification should be filed with the Department, including as an exhibit a copy of the second posteffective amendment filed with the Securities and Exchange Commission. No additional fee is due if this filing is made before the registration is effective.

In the absence of stop order proceedings, the qualification becomes effective on the date when the posteffective amendment to the registration statement becomes effective, and it will have a termination date 16 months after the date of the audited financial statement submitted with the second application (Sec. 260.140.88, Title 10, Calif. Administrative Code). An application for qualification by coordination filed by an investment company after its registration statement or a posteffective amendment thereto has become effective, becomes effective on the date specified by the Commissioner.

Investment companies should estimate the total dollar sales anticipated in California during the ensuing year, including sales incident to dividend and capital gain reinvestment plans, and insert this amount in item 5(b) of the application form (Form 260.110). Investment companies need not otherwise in this item identify the total number of shares or units being qualified. If it develops that sales exceed the amount qualified, an amendment to the application should be filed pursuant to Section 25162, and the appropriate fee under Section 25608(m) paid. It is

advisable to qualify an amount which will be adequate for the ensuing year. The maximum filing fee for amounts of \$1,000,000 or more is \$1,100.

An investment company amending its registration statement other than by up-dating audited financial information as, for instance, to set forth changes in investment policy or management or to provide interim financial information, should file an amendment to its application pursuant to Section 25162 and pay the fee specified in Section 25608(m). In this instance the period of effectiveness of the qualification will not be extended.

By order of
BRIAN R. VAN CAMP
Commissioner of Corporations

HANS A. MATTES
Assistant Commissioner
Office of Policy